

June 2011

# COMBATING TERRORISM

## U.S. Government Should Improve Its Reporting on Terrorist Safe Havens



## Report Documentation Page

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June 2011

## COMBATING TERRORISM

### U.S. Government Should Improve Its Reporting on Terrorist Safe Havens

#### Why GAO Did This Study

Denying safe haven to terrorists has been a key national security concern since 2002. Safe havens allow terrorists to train recruits and plan operations against the United States and its interests across the globe. As a result, Congress has required agencies to provide detailed information regarding U.S. efforts to address terrorist safe havens.

In this review, GAO assesses the extent to which (1) the Department of State (State) has identified and assessed terrorist safe havens in its *Country Reports on Terrorism* and (2) the U.S. government has identified efforts to deny terrorists safe haven consistent with reporting requirements. To address these objectives, GAO interviewed U.S. officials and analyzed national security strategies; State reporting; and country-level plans for the Philippines, Somalia, and Yemen.

#### What GAO Recommends

GAO recommends State and the National Security Council (NSC) improve reporting on assessments of and U.S. efforts to address terrorist safe havens. State concurred with our recommendation on assessments. State partially concurred with our recommendation on U.S. efforts to address terrorist safe havens, citing other reports it completes related to counterterrorism. However, the additional reports cited by State do not constitute a governmentwide list of U.S. efforts to address terrorist safe havens. The NSC reviewed our report but did not provide comments on its recommendations.

View [GAO-11-561](#) or key components. For more information, contact Charles Michael Johnson, Jr. at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov).

#### What GAO Found

State identifies existing terrorist safe havens in its annual *Country Reports on Terrorism* but does not assess them with the level of detail recommended by Congress. The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) requires State to include in its annual *Country Reports on Terrorism* a detailed assessment of each foreign country used as a terrorist safe haven. It also recommends that State include, to the extent feasible, details in the report such as actions taken to address terrorist activities by countries whose territory is used as a safe haven. Since 2006, State has identified terrorist safe havens in its *Country Reports on Terrorism*. In August 2010, State identified 13 terrorist safe havens, including the southern Philippines, Somalia, and Yemen. However, none of the assessments in State's August 2010 report included information on one of the four elements recommended by Congress—the actions taken by countries identified as having terrorist safe havens to prevent trafficking in weapons of mass destruction through their territories. Also, about a quarter of the assessments in State's August 2010 *Country Reports on Terrorism* lacked information on another element recommended by Congress—the actions taken by countries identified as terrorist safe havens to cooperate with U.S. antiterrorism efforts. Including this information in State's reports could help better inform congressional oversight related to terrorist safe havens.

The U.S. government has not fully addressed reporting requirements to identify U.S. efforts to deny safe haven to terrorists. In IRTPA and the National Defense Authorization Act for fiscal year 2010, Congress required the President to submit reports identifying such efforts. State responded to IRTPA with a 2006 report and subsequent annual updates to its *Country Reports on Terrorism*. However, efforts identified in State's August 2010 report include only certain efforts funded by State and do not include some State and other U.S. government agency funded efforts, such as those of the Departments of Defense and Justice. For example, our discussions with agency officials and analysis of agency strategic documents identified at least 14 programs and activities not included in State's reporting that may contribute to denying terrorists safe haven in Yemen. According to officials from the National Security Staff, the National Security Council is responsible for producing the report required by the National Defense Authorization Act for fiscal year 2010. As of March 2011, the report, which was due in September 2010, was not completed. According to agency officials, compiling such a list is challenging because it is difficult to determine if a given activity addresses terrorist safe havens or contributes to different, though possibly related, foreign policy objectives. While we recognize this challenge, a more comprehensive list that includes the efforts of all relevant agencies could provide useful information to Congress to enhance oversight activities, such as assessing U.S. efforts toward the governmentwide goal of denying terrorists safe haven.

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## Abbreviations

DHS	Department of Homeland Security
DOD	Department of Defense
DOJ	Department of Justice
FACTS	Foreign Assistance Coordination and Tracking System
IRTPA	Intelligence Reform and Terrorism Prevention Act of 2004
MSRP	mission strategic and resource plan
State	Department of State
Treasury	Department of the Treasury
USAID	U.S. Agency for International Development

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**United States Government Accountability Office**  
**Washington, DC 20548**

June 3, 2011

The Honorable Joseph I. Lieberman  
Chairman  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable John F. Tierney  
Ranking Member  
Subcommittee on National Security, Homeland Defense,  
and Foreign Operations  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Michael T. McCaul  
Chairman  
Subcommittee on Oversight, Investigations, and Management  
Committee on Homeland Security  
House of Representatives

According to the 2010 *National Security Strategy*, denying safe haven to terrorists is an essential component of the U.S. strategy to defeat al Qaeda and its affiliates.<sup>1</sup> In its August 2010 *Country Reports on Terrorism*,<sup>2</sup> the Department of State (State) declared denying safe haven to terrorists central to combating terrorism, which it cited as the United States' top security threat. Terrorist safe havens provide security for terrorists, allowing them to train recruits and plan operations. U.S. officials have concluded that various terrorist incidents demonstrate the dangers emanating from terrorist safe havens, such as the November 2008 attacks in Mumbai, India, planned, in part, from safe havens in Pakistan, and the

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<sup>1</sup>The Department of State defines terrorist safe havens as ungoverned, under-governed, or ill-governed areas of a country and nonphysical areas where terrorists that constitute a threat to U.S. national security interests are able to organize, plan, raise funds, communicate, recruit, train, and operate in relative security because of inadequate governance capacity, political will, or both.

<sup>2</sup>State's annual *Country Reports on Terrorism* is required to be transmitted to Congress by April 30<sup>th</sup> of each year and covers terrorist events in the preceding year. For instance, State's *Country Reports on Terrorism 2009* covers events from January 1 to December 31, 2009, but was released in August 2010. In this report, we refer to *Country Reports on Terrorism* by their release date. Thus, State's August 2010 report refers to the *Country Reports on Terrorism 2009*.

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attempted airliner bombing on December 25, 2009, planned from safe havens in Yemen.

This report provides information on U.S. efforts to address physical terrorist safe havens since 2005.<sup>3</sup> Specifically, we assess the extent to which (1) State has identified and assessed terrorist safe havens in its *Country Reports on Terrorism*, and (2) the U.S. government has identified efforts to deny terrorists safe haven consistent with reporting requirements.

To address our objectives, we reviewed and analyzed relevant national security strategies, key congressional legislation, and planning documents related to U.S. efforts to address terrorist safe havens. Additionally, we discussed U.S. strategies, programs, and activities related to terrorist safe havens with U.S. officials from the Departments of Defense (DOD), Homeland Security (DHS), Justice (DOJ), State, and the Treasury (Treasury); the Office of Management and Budget; the National Security Staff; the U.S. Agency for International Development (USAID); and the intelligence community. We also spoke to subject matter experts from academia and governmental and nongovernmental organizations.

To evaluate the extent to which State has identified and assessed terrorist safe havens, we reviewed U.S. agency reports, such as State's annual *Country Reports on Terrorism*. Moreover, we evaluated assessments of terrorist safe havens included in State's August 2010 *Country Reports on Terrorism* against criteria recommended by Congress in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). Further, we interviewed U.S. agency officials to determine the process and criteria used to identify and assess terrorist safe havens, and spoke with subject matter experts to obtain their views on the characteristics of and threats posed by terrorist safe havens identified by State.

To assess the extent to which the U.S. government has identified efforts to deny terrorists safe haven consistent with reporting requirements, we reviewed agency budget documents, agency reports, and interagency strategies against provisions included in IRTPA. For a more detailed analysis of U.S. efforts to deny terrorists safe haven, we selected three

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<sup>3</sup>The 2006 *National Strategy for Combating Terrorism* states that, in addition to physical terrorist safe havens in geographic territories, terrorist safe havens can also be nonphysical or virtual, existing within legal, cyber, and financial systems. In this report, however, we focus on physical terrorist safe havens.

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countries identified as having terrorist safe havens by State's August 2010 *Country Reports on Terrorism*—the Philippines, Somalia, and Yemen. For these safe havens, we examined country-specific strategies, such as mission strategic and resource plans, and discussed efforts that may contribute to addressing terrorist safe havens with U.S. officials. We also considered information obtained during our previous reviews of U.S. efforts to address terrorist safe havens in Afghanistan, Pakistan, and Iraq. To obtain a more in-depth understanding of specific programs and activities, we traveled to Kenya (where State's Somalia unit is based) and the Philippines, where we met with U.S. government personnel involved in efforts to address terrorist safe havens in Somalia and the southern Philippines. We planned to travel to Yemen but were unable to do so due to the unstable security environment during the time of our review. Programs and activities identified are meant to serve as examples of U.S. efforts that may contribute to addressing terrorist safe havens, not an exhaustive list of efforts to address terrorist safe havens. Our analysis does not include intelligence-related programs and activities. See appendix I for more information on our objectives, scope, and methodology.

We conducted this performance audit from September 2010 to June 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### The Value of Safe Haven to Terrorist Groups

According to State, a terrorist safe haven is an area of relative security that can be exploited by terrorists to undertake activities such as recruiting, training, fundraising, and planning operations. The National Commission on Terrorist Attacks Upon the United States (9/11 Commission) noted that the physical safe haven in Afghanistan allowed al Qaeda the operational space to gather recruits and build logistical networks to plan the September 11, 2001, terrorist attacks. Concluding that the dangers posed by terrorist safe havens were significant, the 9/11 Commission recommended that the U.S. government identify and prioritize terrorist safe havens, as well as develop strategies to address them.

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## U.S. Strategic Documents Related to Terrorist Safe Havens

The United States highlights the denial of safe haven to terrorists as a key national security concern in a number of U.S. government and agency strategic documents. For example, *National Security Strategies* released in 2002, 2006, and 2010 emphasize the importance of denying safe haven to terrorists. In addition, plans issued by various U.S. agencies, such as DOD, DOJ, State, and USAID, as well as the *National Intelligence Strategy* issued by the Office of the Director of National Intelligence, include language emphasizing the importance of addressing terrorist safe havens (see fig. 1).

**Figure 1: Selected U.S. Government Strategic Documents Emphasizing the Importance of Denying Safe Haven to Terrorists**



Source: GAO.

State's Office of the Coordinator for Counterterrorism coordinates policies and programs of U.S. agencies to counter terrorism overseas. According to State, the Office of the Coordinator for Counterterrorism works with all appropriate elements of the U.S. government to ensure integrated and effective counterterrorism efforts that utilize diplomacy, economic power, intelligence, law enforcement, and military power. These elements include those in the White House, DOD, DHS, DOJ, State, Treasury, USAID, and the intelligence community. The Office of the Coordinator for Counterterrorism's role is to provide supervision of international counterterrorism activities, including oversight of resources. Its guiding

principles reflect the goals of the *National Strategy for Combating Terrorism*, including denying safe haven to terrorists.

## Legislative Reporting Requirements

Congress has enacted several laws that require the submission of reports to Congress on issues related to the denial of terrorist safe havens. See table 1 for selected legislation.

**Table 1: Selected Legislation and Associated Reporting Requirements Related to Denying Terrorists Safe Haven**

Type	Report to include	Actor	Legislation	Frequency
Assessment	Detailed assessments of terrorist safe havens	State	Intelligence Reform and Terrorism Prevention Act of 2004 (Pub. L. No. 108-458, Section 7102(d)(1)(D))	Annual, to be included in State's <i>Country Reports on Terrorism</i>
	Intelligence assessment that identifies and describes each country or region that is a terrorist safe haven	Director of National Intelligence	Intelligence Authorization Act for Fiscal Year 2005 (Pub. L. No. 108-487, Section 305)	Once, to be completed by June 1, 2005
U.S. efforts to address terrorist safe havens	Report on strategy for addressing terrorist safe havens, including information on tools and tactics to disrupt terrorist safe havens <sup>a</sup>	President	Intelligence Reform and Terrorism Prevention Act of 2004 (Pub. L. No. 108-458, Section 7120(b))	Once, to be completed by June 15, 2005
	Updates, to the extent feasible, of the report on strategy, including information on tools and tactics to disrupt terrorist safe havens <sup>a</sup>	State	Intelligence Reform and Terrorism Prevention Act of 2004 (Pub. L. No. 108-458, Section 7102(d)(2)(E))	Annual, to be included in State's <i>Country Reports on Terrorism</i>
	Counterterrorism status reports, including a list of U.S. counterterrorism efforts relating to the denial of terrorist safe havens	President	National Defense Authorization Act of 2010 (Pub. L. No. 111-84, Section 1242 (b)(1)(F)(iv))	Three times, to be completed September 30, 2010, 2011, and 2012

Source: GAO analysis of U.S. public law.

Note: This table does not include legislation with reporting requirements related to specific safe havens, such as Afghanistan, Pakistan, and Iraq.

<sup>a</sup>Specifically, Section 7120 of IRTPA requires the President to submit a report to Congress on the activities of the U.S. government to carry out provisions in the subtitle to IRTPA on Diplomacy, Foreign Aid, and the Military in the War on Terrorism. The report was to include a description of the strategy for addressing terrorist safe havens, as well as a description of (1) terrorist safe havens that exist, (2) efforts by the U.S. government to work with other countries in bilateral and multilateral fora, and (3) long-term goals and actions designed to reduce the conditions that allow for the formation of terrorist safe havens.

In response to reporting requirements, State annually releases the *Country Reports on Terrorism*. State's August 2010 report includes a strategic overview of terrorist threats and a country-by-country discussion of foreign government counterterrorism cooperation. In addition, it includes chapters on weapons of mass destruction terrorism, state sponsors of terrorism, designated foreign terrorist organizations, and terrorist safe

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havens. According to State, the *Country Reports on Terrorism* aims to enhance understanding of the terrorist threat, as well as serve as a reference tool to inform policymakers, the public, and U.S. foreign partners about U.S. efforts, progress, and challenges in the campaign against international terrorism. While released by State's Office of the Coordinator for Counterterrorism, the *Country Reports on Terrorism* incorporates the views of the National Counterterrorism Center and National Security Staff, as well as other key agencies involved in addressing international terrorism.

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## **The *Country Reports on Terrorism* Identifies Existing Terrorist Safe Havens but Does Not Assess these Safe Havens as Recommended by Congress**

State identifies existing terrorist safe havens in its annual *Country Reports on Terrorism*, but does not assess these safe havens with the level of detail recommended by Congress. IRTPA<sup>4</sup> requires State to include a detailed assessment in its annual *Country Reports on Terrorism* of each country whose territory is being used as a terrorist sanctuary, also known as a terrorist safe haven.<sup>5</sup> The act further recommends that these assessments include, to the extent feasible, details regarding the knowledge of and actions taken to address terrorist activities by countries whose territory is being used as a terrorist safe haven. While State has identified existing terrorist safe havens since 2006, its assessments of these safe havens do not always include the details recommended by Congress. For instance, none of the assessments in State's August 2010 report included information on the actions taken by countries identified as having terrorist safe havens to prevent trafficking in weapons of mass destruction through their territories. Including this information in State's reporting could help inform congressional oversight related to terrorist safe havens.

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<sup>4</sup>Pub. L. No. 108-458, Section 7102.

<sup>5</sup>In this report, we use the term terrorist safe haven, which, according to State, has the same meaning as terrorist sanctuaries.

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## State Has Reported on Existing Terrorist Safe Havens Since 2006

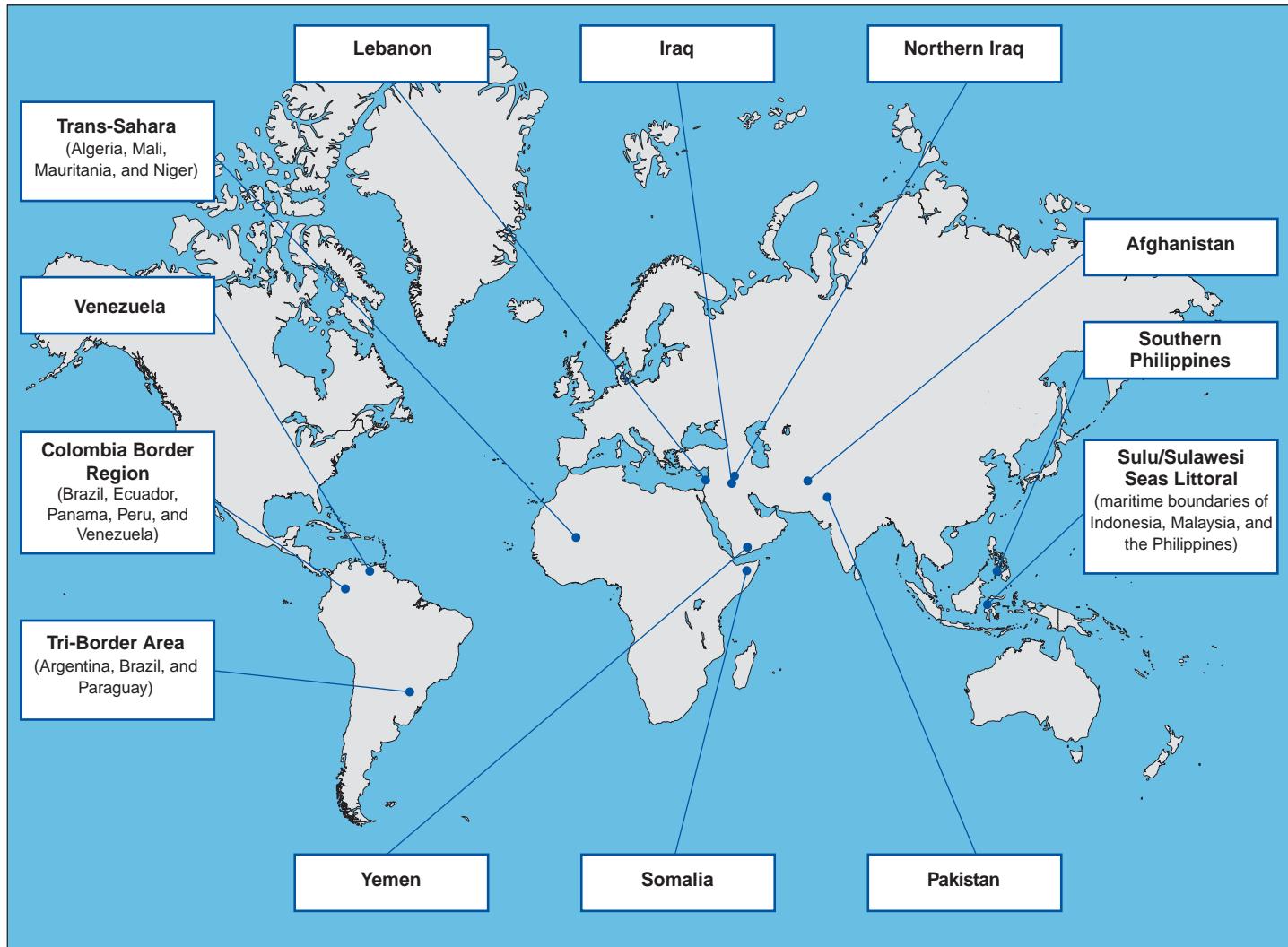
IRTPA requires State to include a detailed assessment in its annual *Country Reports on Terrorism* with respect to each foreign country whose territory is being used as a safe haven for terrorists or terrorist organizations.<sup>6</sup> To fulfill this requirement, State first identifies and then assesses existing terrorist safe havens.<sup>7</sup> Since 2006, State has identified existing terrorist safe havens in a dedicated chapter of its *Country Reports on Terrorism*. In August 2010, State identified 13 terrorist safe havens. See figure 2 for the terrorist safe havens identified.

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<sup>6</sup>The Intelligence Authorization Act for Fiscal Year 2005 required the Director of National Intelligence to submit to Congress an intelligence assessment identifying and describing each country or region that is a sanctuary for terrorists or terrorist organizations. We plan to provide additional information on this topic in a classified product later this year.

<sup>7</sup>State is not required to identify potential terrorist safe havens. In its April 2006 *Country Reports on Terrorism*, State wrote that its report identified “selected potential and physical safe havens.” However, in the August 2010 *Country Reports on Terrorism*, State identified safe havens in which terrorists are able to operate in relative security. We spoke with subject matter experts who identified Bangladesh, Nigeria, Kenya, the Caucasus, and urban areas such as Karachi, Pakistan, as areas at risk of becoming terrorist safe havens in the next 5 years.

**Figure 2: Terrorist Safe Havens Identified in State's August 2010 Country Reports on Terrorism**



Sources: Department of State's August 2010 Country Reports on Terrorism; Map Resources (map).

### Interactive instructions:

The online version of this map is interactive. Hover your mouse over each text box to read State's August 2010 assessment of why each identified country or region is considered a terrorist safe haven.

To view these assessments in the offline version, please see appendix II.

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State has made few changes to the terrorist safe havens identified in its report since the April 2007 *Country Reports on Terrorism*, which identified 15 terrorist safe havens. Since that report, State has removed two terrorist safe havens—the Afghan-Pakistan Border and Indonesia—from the *Country Reports on Terrorism*. State officials explained that the Afghan-Pakistan Border was removed in 2009, but Afghanistan and Pakistan are each still identified as terrorist safe havens to highlight the different safe haven issues facing each country. State officials said that Indonesia was removed in 2008 because the country passed counterterrorism legislation and captured several members of the terrorist group Jemaah Islamiyah.

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### State's Safe Haven Assessments Do Not Include All Details Recommended by Congress

IRTPA includes congressional findings that the planning of complex terrorist operations requires safe haven from government and law enforcement interference and that terrorists remain focused on finding such safe havens. Further, IRTPA states that it is the sense of Congress that it should be U.S. policy to identify foreign countries that are being used as terrorist sanctuaries and assess current U.S. tools being used to assist foreign governments to eliminate these safe havens. Accordingly, IRTPA requires State to include detailed assessments of terrorist safe havens in its annual *Country Reports on Terrorism*.<sup>8</sup> IRTPA also states that these detailed assessments should include, to the extent feasible, a variety of provisions, including information regarding knowledge of and actions to address terrorist activities taken by countries whose territory is being used as a terrorist safe haven.<sup>9</sup> See table 2 for a list of these details.

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**Table 2: Details Recommended by Congress for Inclusion in State's Terrorist Safe Haven Assessments**

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**Recommended details**

The extent of knowledge by the government of the country with respect to terrorist activities in the territory of the country.

The actions of the country to eliminate terrorist safe havens in its territory.

The actions of the country to cooperate with U.S. antiterrorism efforts.

The actions of the country to prevent the proliferation of and trafficking in weapons of mass destruction in and through the territory of the country.

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Source: GAO analysis of 22 U.S.C. § 2656f and IRTPA.

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<sup>8</sup>Pub. L. No. 108-458, Section 7102(d)(1)(D).

<sup>9</sup>Pub. L. No. 108-458, Section 7102(d)(2)(C).

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In its *Country Reports on Terrorism*, State includes a terrorist safe havens chapter with assessments of each terrorist safe haven it identifies to explain why that country or region has been classified as a terrorist safe haven. However, our analysis of the assessments in State's August 2010 report determined that, while State included information on each identified terrorist safe haven, State did not assess them with the level of detail recommended by Congress. For instance, our evaluation determined that while State generally included information on the extent of knowledge by the government of the country with respect to terrorist activities, it did not include any information in its assessments about the actions countries took to prevent the proliferation of and trafficking in weapons of mass destruction in and through their territories.

We also analyzed the "country reports" chapter of State's August 2010 report and found that some of the information not included in the assessments in the terrorist safe haven chapter was contained in the country reports chapter. For instance, the country report for Yemen contained information regarding the Yemeni government's actions to cooperate with U.S. counterterrorism efforts. However, like the terrorist safe haven assessments, none of these country reports contained information regarding the actions that countries took to prevent the proliferation of and trafficking in weapons of mass destruction in and through their territories. Table 3 shows the number of safe havens for which State included the recommended details.

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**Table 3: Extent to Which the August 2010 *Country Reports on Terrorism* Includes Details on Terrorist Safe Havens Recommended Congress**

<b>Recommended details</b>	<b>Number of safe havens for which recommended details were included</b>
The extent of knowledge by the government of the country with respect to terrorist activities in the territory of the country.	13 of 13
The actions of the country to eliminate terrorist safe havens in its territory.	11 of 13
The actions of the country to cooperate with U.S. counterterrorism efforts.	9 of 13
The actions of the country to prevent the proliferation of and trafficking in weapons of mass destruction in and through the territory of the country.	0 of 13

Source: GAO analysis of State's August 2010 *Country Reports on Terrorism*.

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State officials agreed that details related to the trafficking of weapons of mass destruction through terrorist safe havens were not included in its August 2010 report. These officials stated that time constraints and a limited number of staff present challenges to including these details in the terrorist safe haven assessments. Despite these challenges, officials told us that, after reviewing our analysis, they will gather—and believe they will be able to include—details regarding weapons of mass destruction in the *Country Reports on Terrorism* to be released in 2011. In previous reporting, we have found that assessments can be used to define requirements and properly focus programs to combat terrorism.<sup>10</sup> Moreover, in IRTPA, Congress has said that it should be U.S. policy to assess U.S. efforts to assist foreign governments to address terrorist safe havens. As such, including all of the details recommended by Congress in the safe haven assessments in State's *Country Reports on Terrorism* could help improve congressional understanding and inform congressional oversight related to terrorist safe havens.

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## The U.S. Government Has Not Fully Addressed Reporting Requirements to Identify Efforts to Deny Terrorists Safe Haven

The U.S. government has not fully addressed reporting requirements to identify U.S. efforts to deny safe haven to terrorists. Congress required the President to submit reports outlining U.S. government efforts to deny or disrupt terrorist safe havens in two laws, IRTPA and the National Defense Authorization Act for fiscal year 2010. While reports produced in response to IRTPA contain some information on U.S. efforts to address terrorist safe havens, none provides a comprehensive, governmentwide list of U.S. efforts. According to agency officials, compiling a list of U.S. efforts is challenging because of difficulties determining which U.S. efforts specifically address terrorist safe havens. However, a more comprehensive list of U.S. efforts would enhance oversight activities, such as assessing U.S. efforts toward the governmentwide goal of denying safe haven to terrorists.

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<sup>10</sup>GAO, *Combating Terrorism: Observations on Biological Terrorism and Public Health Initiatives*, GAO/T-NSIAD-99-112 (Washington, D.C.: Mar. 16, 1999).

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## *Country Reports on Terrorism* Has Not Fully Identified U.S. Efforts to Deny Terrorists Safe Haven

IRTPA required the President to submit a report to Congress that includes an outline of the strategies, tactics, and tools of the U.S. government for disrupting or eliminating the security provided to terrorists by terrorist safe havens.<sup>11</sup> IRTPA also recommended that State update the report annually, to the extent feasible, in its *Country Reports on Terrorism*.<sup>12</sup> IRTPA notes that it is the sense of Congress that it should be the policy of the United States to implement a coordinated strategy to prevent terrorists from using safe havens and to assess the tools used to assist foreign governments in denying terrorists safe haven.

In response to IRTPA provisions, State submitted a report to Congress in April 2006, which it has updated annually as part of its *Country Reports on Terrorism*. These reports include a section on U.S. strategies, tactics, and tools that identifies several U.S. efforts to address terrorist safe havens. In the August 2010 *Country Reports on Terrorism*, State identified several U.S. efforts for addressing terrorist safe havens, including programs such as State's Regional Strategic Initiative, Rewards for Justice, and Antiterrorism Assistance programs. See table 4 for the list of U.S. efforts identified in State's August 2010 *Country Reports on Terrorism*.<sup>13</sup>

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<sup>11</sup>Pub. L. No. 108-458, Section 7120(b).

<sup>12</sup>Pub. L. No. 108-458, Section 7102(d)(2)(E).

<sup>13</sup>State's August 2010 *Country Reports on Terrorism* also identifies several multilateral efforts, not discussed in this report, for disrupting or eliminating terrorist safe havens. These include efforts by the United Nations Security Council, European Union, Organization for Security and Cooperation in Europe, and North Atlantic Treaty Organization.

**Table 4: U.S. Efforts to Address Terrorist Safe Havens Identified in State's August 2010 *Country Reports on Terrorism***

<b>Identified effort</b>	<b>Description</b>
Antiterrorism Assistance	Builds partner counterterrorism law enforcement capacity.
Countering Violent Extremism	Aims to prevent at-risk individuals from turning to extremist violence, amplify credible voices that reject extremist violence, and persuade disengaged terrorists to renounce violence.
Counterterrorist Finance Training	Assists U.S. partners in detecting, isolating, and dismantling terrorist financial movements and networks to deprive terrorists of funding for their operations.
Designation of Foreign Terrorists and Terrorist Organizations	Blocks funding of terrorists and their supporters and promotes international cooperation against them.
Middle East Partnership Initiative	Seeks to build partnership between the United States and citizens of the Middle East to support the development of more prosperous, successful, participatory, and pluralistic societies.
Rewards for Justice	Offers and pays rewards for (1) information that prevents or successfully resolves an act of international terrorism against U.S. persons or property or (2) information that leads to the location of key terrorist leaders.
Regional Security Initiative	Enables ambassadors and their country teams to coordinate counterterrorism strategies across borders to help host nations understand threats and strengthen their political will and capacity to counter them.
Terrorist Interdiction Program/Personal Identification Secure Comparison and Evaluation System	Implements biometric capabilities to assist partner nations to correctly identify and track individuals entering and departing countries by land, sea, and airports of entry.

Source: GAO analysis of State's August 2010 *Country Reports on Terrorism* and Congressional Budget Justification documents.

Note: The Human Smuggling and Trafficking Center, Millennium Challenge Account, Heavily Indebted Poor Countries, and Multilateral Debt Relief Initiative have been included in earlier versions of the *Country Reports on Terrorism* but do not appear in the August 2010 *Country Reports on Terrorism*. The Proliferation Security Initiative and the Trans-Sahara Counterterrorism Initiative/Program have also been included in previous reports and are mentioned in the August 2010 *Country Reports on Terrorism*, but not in the chapter on terrorist safe havens.

However, State's August 2010 *Country Reports on Terrorism* did not include some U.S. efforts that may contribute to addressing terrorist safe havens according to our review of related budget information, strategic documents, and discussions with U.S. officials. Specifically, the list of U.S. efforts to address terrorist safe havens in the *Country Reports on Terrorism* did not include (1) all of the programs and activities State funds to address terrorist safe havens and (2) programs and activities funded by agencies other than State, such as DOD, DOJ, and Treasury that may contribute to addressing terrorist safe havens.

Some State-Funded Efforts Are Not Included

State's budget information, strategic documents, and discussions with State officials indicate that some State-funded efforts that may contribute

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to addressing terrorist safe havens were not included in the August 2010 *Country Reports on Terrorism*.

- First, budget information in State's Foreign Assistance Coordination and Tracking System (FACTS) identifies programs and activities to eliminate safe havens that were not included in State's August 2010 *Country Reports on Terrorism*.<sup>14</sup> State identified in its budget database budget accounts that fund programs and activities for eliminating safe havens. However, certain activities funded by four of these accounts were not included in State's August 2010 *Country Reports on Terrorism*.<sup>15</sup> For example, activities in Chad, a Trans-Saharan country, funded by the development assistance budget account were identified in FACTS as eliminating safe havens, as were some activities in Pakistan funded through the Economic Support Fund. However, neither of these budget accounts was included in State's August 2010 *Country Reports on Terrorism*.<sup>16</sup>
- Second, selected State strategic documents identify additional efforts funded by State that may contribute to denying terrorists safe haven but were not included in the August 2010 *Country Reports on Terrorism*. For the Philippines, Somalia, and Yemen,<sup>17</sup> we reviewed each country's fiscal year 2012 mission strategic and resource plan (MSRP), submitted in April 2010, which included program funding information for goals related to

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<sup>14</sup>FACTS is a database used by State to collect foreign assistance planning and reporting data, including plans for implementing current-year appropriated budgets and performance planning and reporting data. It tracks State-funded foreign assistance spending by aligning each dollar of assistance with categories State calls "program areas, elements, and sub-elements." The FACTS standardized program structure, known as the "F Framework," includes a "counter-terrorism" program area that has an element—"deny terrorist sponsorship, support and sanctuary"—with a sub-element—"eliminate safe havens."

<sup>15</sup>The four budget accounts identified in FACTS as funding activities for eliminating safe havens that were not included in State's August 2010 *Country Reports on Terrorism* are the Andean Counterdrug Initiative, Counterterrorism Engagement with Allies, Development Assistance, and the Economic Support Fund.

<sup>16</sup>These budget accounts fund some activities that FACTS identifies as eliminating safe haven. However, other funding from these accounts is assigned to different program areas. For instance, while some activities funded by the development assistance budget account are identified by FACTS as eliminating safe havens, other development assistance funds are identified by FACTS in program areas such as Conflict Mitigation and Reconciliation, Good Governance, Health, Education, Rule of Law and Human Rights, and Economic Opportunity.

<sup>17</sup>Programs and activities identified in the Philippines, Somalia, and Yemen are meant to serve as examples of U.S. efforts that may contribute to addressing terrorist safe havens, not an exhaustive list of efforts to address terrorist safe havens.

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addressing terrorist safe havens for fiscal years 2009 through 2015.<sup>18</sup> (For more information on these three countries, see appendix IV.) Our review identified several examples of State-funded efforts that may contribute to addressing terrorist safe havens but were not included in State's August 2010 *Country Reports on Terrorism*. For example, the Yemen MSRP indicates that the State-funded Foreign Military Financing program contributed to addressing safe havens in Yemen by funding activities to support border security and counter piracy. In addition, the MSRP for the Philippines included Foreign Military Financing program activities to sustain progress in developing the Philippine Defense Department capability to address terrorist safe havens. However, this program was not included in State's August 2010 *Country Reports on Terrorism*. Moreover, USAID development assistance in the Philippines focuses on mitigating conflict, increasing economic opportunities, strengthening health services, and improving education, which, according to the country's MSRP, can inhibit terrorists from exploiting those living under marginal conditions. Development assistance was not included in State's August 2010 report.

- Third, according to State officials, additional efforts undertaken by State, but not identified in State's August 2010 *Country Reports on Terrorism*, may contribute to addressing terrorist safe havens. For example, State officials indicated that activities funded through State's Peacekeeping Operations account contributed to addressing the terrorist safe haven in Somalia because it helped the Transitional Federal Government of Somalia keep the terrorist group al-Shabaab from gaining control of the country's capital city, Mogadishu. In addition, State's International Narcotics and Law Enforcement Affairs funded a DOJ International Criminal Investigative Training Assistance Program effort in the Philippines that may contribute to addressing the terrorist safe haven in that country by providing police development and capacity building programs in areas used by terrorists for illicit travel. Similarly, officials indicated that State-funded Immigrations and Customs Enforcement training for Filipino and Yemeni officials to combat money laundering and bulk cash smuggling may contribute to addressing the safe havens in their countries. State-funded Peacekeeping Operations, the International Criminal Investigative Training Assistance Program, and Immigration and Customs Enforcement

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<sup>18</sup>MSRPs for all three countries included a goal related to addressing terrorist safe havens. For example, the Somalia MSRP includes a goal "Successful Dialogue and Reconciliation Contributing Toward a More Stable Somalia" describing that "political, economic, and developmental stability will make it increasingly difficult for transnational terrorists to find a safe haven in Somalia." Financial data included in fiscal year 2012 MSRPs include actual fiscal year 2009 funding; estimated fiscal year 2010 funding; requested fiscal years 2011 and 2012 funding; and projected fiscal years 2013, 2014, and 2015 funding.

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training programs were not included in State's August 2010 *Country Reports on Terrorism*.

In total, our analysis identified nine examples of State-funded efforts in the Philippines, four examples in Somalia, and nine examples in Yemen not included in State's August 2010 *Country Reports on Terrorism* that may contribute to addressing terrorist safe havens. Table 7 in appendix V describes U.S. efforts funded by State to address terrorist safe havens as identified by agency officials or MSRP<sup>s</sup> for the Philippines, Somalia, and Yemen and indicates which of these efforts were included in State's August 2010 report.

Agency officials explained that compiling a list of U.S. efforts, such as the one in State's *Country Reports on Terrorism*, is challenging because of difficulties determining which U.S. efforts specifically address terrorist safe havens. According to State and USAID officials, counterterrorism programs and activities may simultaneously contribute to multiple foreign policy goals. For example, according to State officials, U.S. programs assisting refugees on the Somali border may be considered as combating violent extremism or denying terrorists safe haven. Similarly, USAID officials explained that governance programs in Yemen aim to help local governments meet community needs, but in doing so may contribute to addressing terrorist safe havens in Yemen by shrinking the terrorists' operating spaces in those communities. However, documents authored and databases managed by State contain information on additional U.S. efforts to address terrorist safe havens that would be feasible to include in State's reporting.

#### **Efforts Funded by Other U.S. Agencies Are Not Included**

Our discussions with officials from various agencies and our review of MSRPs from the Philippines, Somalia, and Yemen indicate that State's reports also do not include efforts funded by agencies other than State that may contribute to addressing terrorist safe havens.

- First, officials from DOD, DOJ, and Treasury indicated that their agencies fund efforts that may contribute to addressing terrorist safe havens. Officials from DOD indicated that DOD-funded activities to build capacity of foreign partners' security forces to combat terrorism are key DOD efforts to address terrorist safe havens. For example, some DOD train and equip activities funded through the department's Global Train and Equip "Section 1206" and country-specific funding accounts, such as the Afghanistan and Iraq Security Forces Funds, contribute to addressing terrorist safe havens. For example, DOD has used Section 1206 funding to conduct train and equip programs to build the capacity of security forces in Yemen and the Philippines to conduct counterterrorism operations. U.S.

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Coast Guard officials indicated that some coastal security training and technical assistance activities funded largely by DOD and implemented by the U.S. Coast Guard may also contribute to addressing terrorist safe havens in Yemen and the Philippines.

- Second, our review of MSRPs for the Philippines, Somalia, and Yemen indicated that additional efforts funded by agencies other than State and not included in State's August 2010 *Country Reports on Terrorism* may contribute to addressing terrorist safe havens. For example, the safe haven-related goal in the fiscal year 2012 MSRP for the Philippines indicated that efforts will be made through the DOD Joint Special Operations Task Force—Philippines to enhance counterterrorism capabilities of the Armed Forces of the Philippines. The safe haven-related goal in Yemen's fiscal year 2012 MSRP indicated that DOJ's Federal Bureau of Investigation legal attachés participate in activities that empower Yemeni law enforcement officials to better identify and prosecute suspected terrorists. These efforts were not included in State's August 2010 *Country Reports on Terrorism*.

In total, our analysis identified seven examples of non-State-funded efforts in the Philippines, one example in Somalia, and five examples in Yemen that were not included in State's August 2010 *Country Reports on Terrorism* that may contribute to addressing terrorist safe havens, as shown in table 5.

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**Table 5: Non-State-Funded Efforts that May Contribute to Addressing Terrorist Safe Havens in Selected Countries**

Selected country	Funding agency	Identified efforts	Example activities
The Philippines	DOD	Joint Special Operations Task Force—Philippines enabling activities	Engagement to enable Armed Forces of the Philippines capacity to plan and execute Civil Military Operations
	DOD	Joint U.S. Military Assistance Group capacity building activities	Engagement to build Armed Forces of the Philippines capacity to plan and execute Civil Military Operations
	DOD	Global Train and Equip "Section 1206" program	Equipment and training to enhance Philippines' national military capacity to conduct CT operations
	DOD <sup>a</sup>	Coast Guard equipment <sup>b</sup>	Provision of Coast Guard ship
DOD	Counterterrorism Fellowship Program professional education		Special Operations Combating Terrorism course
DOJ	Federal Bureau of Investigations Legal Attaché		Counterterrorism Financing and Money Laundering training

Selected country	Funding agency	Identified efforts	Example activities
	Treasury	U.S. Treasury Technical Assistance Programs	Training to build foreign financial intelligence unit capacity
Somalia	DOJ	Federal Bureau of Investigations Legal Attaché activities	Collaboration with the Transitional Federal Government in Somalia
Yemen	DOD	Global Train and Equip "Section 1206" program	Equipment and training to provide the Yemeni Border Security Force with the capability to deter, detect, and detain terrorists along Yemen's borders with Saudi Arabia, and Oman
	DOD	Section 1205 authority to train and equip Yemeni Ministry of Interior Counterterrorism Force	Train and equip activities with the Yemeni Ministry of Interior Counterterrorism Force
	DOD	Coast Guard equipment <sup>a</sup>	Delivery of water craft
	DOD	Counterterrorism Fellowship Program professional education	Mobile education team counterterrorism training
	DOJ	Federal Bureau of Investigations Legal Attaché	Training and mentoring activities

Sources: GAO analysis of MSRPs, interviews with U.S. agency officials, and U.S. agency data.

<sup>a</sup>DOD is providing the cutter ship to the Philippines as a no-cost excess defense article.

<sup>b</sup>The Coast Guard is a DHS component; however, Coast Guard capacity building activities are funded primarily by DOD. State also sometimes contributes funding for these activities.

IRTPA calls for a report on the activities of the U.S. government to address terrorist safe havens, and a stated intention of the *Country Reports on Terrorism* is to provide policymakers with an overview of U.S. counterterrorism efforts. As such, State's report is incomplete without including the contributions of its various interagency partners to address terrorist safe havens. As this information is included in State documents, and State approves certain activities funded by other agencies such as DOD's Section 1206 and 1205 programs, it is feasible for State to include this information in its annual report.

## The National Security Council Has Not Completed the Required Report Identifying U.S. Efforts to Deny Terrorists Safe Haven

In addition to the provisions in IRTPA, Congress demonstrated an ongoing interest in the identification of U.S. efforts to deny terrorist safe havens in the National Defense Authorization Act for fiscal year 2010. The conference report accompanying the act noted that existing executive branch reporting on counterterrorism does not address the full scope of U.S. activities or assess overall effectiveness. The National Defense Authorization Act for fiscal year 2010 requires the President to submit a report to Congress on the U.S. counterterrorism strategy, including an assessment of the scope, status, and progress of U.S. counterterrorism efforts in fighting al Qaeda and its affiliates and a list of U.S.

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counterterrorism efforts relating to the denial of terrorist safe havens. The act required the President to produce this report by September 30, 2010, and every September 30th until September 30, 2012. According to the act, the report is to be submitted in an unclassified form to the maximum extent practicable and accompanied by a classified appendix, as appropriate.<sup>19</sup> According to the conference report accompanying the act, the required report would help Congress in conducting oversight, enhance the public's understanding of how well the government is combating terrorism, and assist the administration in identifying and overcoming related challenges.

According to the President's National Security Staff, the National Security Council has been assigned responsibility for completing the report required under the National Defense Authorization Act for fiscal year 2010. However, officials on the national security staff—who are taking the lead in drafting the report—stated that while they were working on a draft, no report had been submitted to Congress as of March 2011. They were unsure when the report—including information requested by Congress to assist it in assessing the success of counterterrorism efforts to deny terrorists safe haven—would be completed.

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## Conclusions

Given that dismantling terrorist safe havens is a top U.S. national security priority, it is important that accurate assessments of and comprehensive information on terrorist safe havens and U.S. efforts to address them is available. Congress has expressed its desire to receive this type of information in order to better understand the status of efforts related to terrorist safe havens and to better assess U.S. efforts to address them. While some reports have been provided to Congress on these issues, critical details recommended by Congress are not included in these documents, such as complete assessments of the actions taken by countries identified as terrorist safe havens to address terrorist activities. Further, despite multiple requests from Congress, neither State nor the National Security Council has compiled a list of U.S. efforts to address terrorist safe havens that includes the contributions of all relevant U.S. agencies. Providing this type of information to Congress could better define the nature of the threats posed by terrorist groups, as well as the status of and challenges faced by U.S. efforts to address them. Without this

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<sup>19</sup>We plan to provide additional information on terrorist safe havens in a classified product later this year.

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information, Congress and other decision makers may lack facts essential to assessing progress toward the U.S. goal of denying terrorists safe haven, making decisions on the allocation of resources, and conducting effective oversight.

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## Recommendations for Executive Action

To improve the information provided to Congress and other decision makers, we make the following three recommendations:

1. The Secretary of State should include in the *Country Reports on Terrorism* detailed assessments of identified terrorist safe havens using the provisions recommended by Congress in IRTPA.
2. The Secretary of State, in collaboration with relevant agencies as appropriate, should include a governmentwide list of U.S. efforts for addressing terrorist safe havens when it updates the report requested under IRTPA.
3. The National Security Council, in collaboration with relevant agencies as appropriate, should complete the requirements of the National Defense Authorization Act for fiscal year 2010 to report to Congress on a list of U.S. efforts related to the denial of terrorist safe havens.

## Agency Comments and Our Evaluation

We provided a draft of this report to DOD, DHS, DOJ, State, Treasury, USAID, the Office of Management and Budget, the National Security Council, and members of the intelligence community for their review and comment. State and DHS provided written comments, which are reprinted in appendix VI and VII respectively. In addition, DOD, DHS, DOJ, State, and the Office of Management and Budget provided technical comments, which we have incorporated as appropriate. The National Security Council reviewed the report but did not provide comments on its recommendations.

State concurred with our recommendation that it include detailed assessments of terrorist safe havens in its *Country Reports on Terrorism*, and noted it will implement this recommendation in its updated report to be released in 2011. Related to our recommendation for State to include a governmentwide list of efforts to address terrorist safe havens when it updates the report requested under the IRTPA, State concurred that reporting on U.S. efforts to deny terrorist safe havens should be more comprehensive. However, State did not agree that such a list should be part of its annual *Country Reports on Terrorism*, citing the fact that it

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completes other reports related to counterterrorism. However, in the IRTPA, Congress recommended that this information be included in the *Country Reports on Terrorism*. Moreover, while it is possible that other reports produced by State address IRTPA provisions, the antiterrorism assistance report cited by State in its comments does not constitute a governmentwide list of U.S. efforts to address terrorist safe havens, as it does not include the contributions of key agencies such as DOD. We maintain that such a list could assist decisionmakers in assessing progress toward the U.S. goal of denying terrorist safe havens and conducting effective oversight.

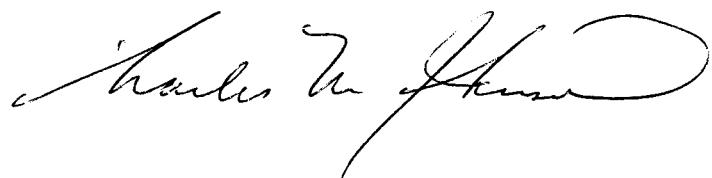
DHS concurred with our report, noting its acknowledgement of several DHS training efforts to address terrorist safe havens in selected countries. DHS also stated it will continue to support, as appropriate, State and other relevant agency efforts to improve reporting on terrorist safe havens.

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We are sending copies of this report to DOD, DHS, DOJ, State, Treasury, USAID, the Office of Management and Budget, the National Security Council, and the intelligence community. In addition, the report will be available on the GAO Web site at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VIII.

A handwritten signature in black ink, appearing to read "Charles Michael Johnson, Jr." The signature is fluid and cursive, with a large, stylized 'J' in "Johnson".

Charles Michael Johnson, Jr., Director  
International Affairs and Trade

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# Appendix I: Objectives, Scope, and Methodology

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This report provides information on U.S. efforts to address physical terrorist safe havens since 2005. Specifically, we assess the extent to which (1) the Department of State (State) has identified and assessed terrorist safe havens in its *Country Reports on Terrorism* and (2) the U.S. government has identified efforts to deny terrorists safe haven consistent with reporting requirements.

To address our objectives, we reviewed and analyzed relevant national security strategies, key congressional legislation, and planning documents related to U.S. efforts to address terrorist safe havens. Additionally, we discussed U.S. strategies, programs, and activities related to terrorist safe havens with U.S. officials from the Departments of Defense (DOD), Homeland Security (DHS), Justice (DOJ), State (State), and the Treasury (Treasury); the Office of Management and Budget; the U.S. Agency for International Development (USAID); the National Security Staff; and the intelligence community. We focused on these agencies because they are involved in efforts that may contribute to addressing terrorist safe havens. We also spoke to 13 subject matter experts from academic, governmental, and nongovernmental organizations. We selected experts who met at least four of the following criteria: (1) knowledge of and experience in one or more of the following areas: (a) identification of terrorist safe havens or failed states, (b) factors that contribute to terrorist safe havens, or (c) process of terrorist recruitment or radicalization; (2) knowledge and experience regarding key safe havens; (3) travel to at least one key safe haven country or region; (4) writing and publishing of articles on key safe haven countries, regions, or issues; and (5) knowledge of and experience in government, for-profit organizations, nonprofit organizations, academia, or journalism.

To evaluate the extent to which State has identified and assessed terrorist safe havens, we reviewed U.S. agency reports, such as State's annual *Country Reports on Terrorism*. Moreover, we evaluated assessments of terrorist safe havens included in the chapter specific to terrorist safe havens in State's August 2010 *Country Reports on Terrorism* against criteria recommended, to the extent feasible, by Congress in the Intelligence Reform and Terrorism Prevention Act (IRTPA). To evaluate the assessments, two analysts independently analyzed the terrorist safe havens assessments against details included in IRTPA. Those analysts then discussed and resolved any differences in the results of their analyses; a supervisor reviewed and approved the final results of the analysis. We also interviewed U.S. agency officials to determine the process and criteria used to identify, assess, and prioritize these terrorist safe havens, and spoke with subject matter experts to obtain their views on the

characteristics of and threats posed by terrorist safe havens identified by State.

To assess the extent to which the U.S. government has identified efforts to deny terrorists safe haven consistent with reporting requirements, we evaluated national counterterrorism and security strategies; agency budget and planning documents, including reports from State's Foreign Assistance Coordination and Tracking System (FACTS); and agency reports against requirements included in IRTPA. Although we did not independently audit the funding data in the FACTS database, and are not expressing an opinion on them, based on our examination of the documents received and our discussions with cognizant agency officials, we concluded that the FACTS data we obtained were sufficiently reliable for the purposes of this engagement. We also examined country-specific strategies related to addressing terrorist safe havens by interviewing U.S. agency officials and reviewing mission strategic and resource plans (MSRP) for three countries identified as having terrorist safe havens—the Philippines, Somalia, and Yemen. We selected these countries based on consideration of the following criteria: (1) identification of a country or area as a terrorist safe haven by State in its August 2010 *Country Reports on Terrorism*, (2) priority placed on a particular safe haven as expressed U.S. officials and subject matter experts, (3) consideration of related GAO work, and (4) congressional interest. Our analysis does not include intelligence-related efforts. We also considered information obtained during our previous reviews of U.S. efforts to address terrorist safe havens in Afghanistan,<sup>1</sup> Pakistan,<sup>2</sup> and Iraq.<sup>3</sup> To obtain a more in-depth understanding of specific programs and activities, we traveled to Kenya (where State's Somalia unit is located) and the Philippines, where we met with U.S. government personnel involved in efforts to address terrorist safe havens in Somalia and the southern Philippines. We planned to travel to Yemen, but were unable to do so due to the unstable security environment during the time of our review. To supplement our

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<sup>1</sup>GAO, *Afghanistan Key Issues for Congressional Oversight*, GAO-09-473SP (Washington, D.C.: Apr. 21, 2009).

<sup>2</sup>GAO, *Combating Terrorism: The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas*, GAO-08-622 (Washington, D.C.: Apr. 17, 2008).

<sup>3</sup>GAO, *Security, Stabilizing, and Rebuilding Iraq: Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks*, GAO-07-1195 (Washington, D.C.: Sept. 4, 2007).

understanding of U.S. efforts related to denial of terrorist safe haven in Yemen we spoke with officials based in Washington, D.C., from DOD, State, USAID, and the intelligence community. We compiled our list of U.S. efforts to address terrorist safe haven in the Philippines, Somalia, and Yemen based on: (1) the efforts identified by cognizant U.S. officials as those contributing to addressing terrorist safe havens and (2) programs and activities associated with MSRP goals related to addressing terrorist safe havens. Programs and activities identified are meant to serve as examples of U.S. efforts that may contribute to addressing terrorist safe havens not as an exhaustive list of efforts to address terrorist safe havens.

We conducted this performance audit from September 2010 to June 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Terrorist Safe Haven Assessments as Included in State's August 2010 *Country Reports on Terrorism*

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Terrorist safe haven	Assessments
Afghanistan	<p>"The Government of Afghanistan, in concert with the International Security Assistance Force and the international community, continued its efforts to eliminate terrorist safe havens and build security, particularly in the country's south and east where the main Taliban based insurgents threatened stability. Many insurgent groups, including Taliban elements, the Haqqani Network, Hezb-e-Islami Gulbuddin, al-Qa'ida (AQ), and Lashkar-e-Tayyiba, continued to use territory across the border in Pakistan as a base from which to plot and launch attacks within Afghanistan and beyond. Narcotics trafficking, poppy cultivation, and criminal networks were particularly prevalent, constituting a significant source of funding for the insurgency as well as fueling corruption within Afghanistan. AQ leadership in Pakistan maintained its support to militants conducting attacks in Afghanistan and provided funding, training, and personnel to facilitate terrorist and insurgent operations. Anti-Coalition organizations continued to operate in coordination with AQ, Taliban, and other insurgent groups, primarily in the east."</p>
Colombia Border Region (Venezuela, Ecuador, Peru, Panama, and Brazil)	<p>"Columbia's borders with Venezuela, Ecuador, Peru, Panama, and Brazil include rough terrain and dense forest cover. These conditions, coupled with low population densities and historically weak government presence, create potential safe havens for insurgent and terrorist groups, particularly the Revolutionary Armed Forces of Colombia (FARC). The FARC, retreating in the face of Colombian military pressures, thus operated with relative ease along the fringes of Colombia's borders, and also uses areas in neighboring countries along the border to rest and regroup, procure supplies, and stage and train for terrorist attacks with varying degrees of success. The FARC elements in these border regions often engaged the local population in direct and indirect ways, including recruitment and logistical assistance. This appeared to be less so in Brazil and Peru where potential safe havens were addressed by stronger government responses. Ecuador and Panama have responded with a mix of containment and non-confrontation with Colombian narco-terrorist groups, although some confrontations do occur depending on local decisions and cross-border relations."</p>
Iraq	<p>"Iraq was not a terrorist safe haven in 2009, but terrorists, including Sunni groups like al-Qa'ida in Iraq (AQI), and Ansar al-Islam (AI), as well as Shia extremists and other groups, viewed Iraq as a potential safe haven. Together, U. S. and Iraqi security forces continued to make progress against these groups. The significant reduction in the number of security incidents in Iraq that began in the last half of 2007 continued through 2009, with a steady downward trend in numbers of civilian casualties, enemy attacks, and improvised explosive device (IED) attacks. AQI, although still dangerous, experienced the defection of members, lost key mobilization areas, suffered disruption of support infrastructure and funding, and was forced to change targeting priorities. A number of factors have contributed to the substantial degradation of AQI. The alliance of convenience and mutual exploitation between AQI and many Sunni populations has deteriorated. The Baghdad Security Plan, initiated in February 2007, along with assistance from primarily Sunni tribal and local groups, has succeeded in reducing violence to late 2005 levels and disrupted and diminished AQI infrastructure, driving some surviving AQI fighters from Baghdad and Anbar into the northern Iraqi provinces of Ninawa, Diyala, and Salah ad Din. New initiatives with tribal and local leaders in Iraq have led Sunni tribes and local citizens to reject AQI and its extremist ideology. The continued growth, professionalism, and improved capabilities of the Iraqi forces have increased their effectiveness in rooting out terrorist cells. Iraqis in Baghdad, Anbar and Diyala Provinces, and elsewhere have turned against AQI and were cooperating with the Iraqi government and Coalition Forces to defeat it."</p>

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**Appendix II: Terrorist Safe Haven  
Assessments as Included in State's August  
2010 Country Reports on Terrorism**

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<b>Terrorist safe haven</b>	<b>Assessments</b>
Northern Iraq	<p>"The Kurdistan Workers' Party (PKK) maintained an active presence in northern Iraq, from which it coordinated attacks into Turkey, primarily against Turkish security forces, local officials and villagers who opposed the organization. In October, the Turkish Parliament overwhelmingly voted to extend the authorization for cross-border military operations against PKK encampments in northern Iraq. Iraq, Turkey, and the United States continued their formal trilateral security dialogue as one element of ongoing cooperative efforts to counter the PKK. Iraqi leaders, including those from the Kurdistan Regional Government, continued to publicly state that the PKK was a terrorist organization that would not be tolerated in Iraq. Turkish and Iraqi leaders signed a counterterrorism agreement in October."</p>
Lebanon	<p>"Hizballah remained the most prominent and powerful terrorist group in Lebanon, with deep roots among Lebanon's large Shia community, which comprises at least one third of Lebanon's population. The Lebanese government continued to recognize Hizballah, a U.S.- designated Foreign Terrorist Organization, as a legitimate "resistance group" and political party. Hizballah maintained offices in Beirut and military-style bases elsewhere in the country and was represented by elected deputies in parliament. AQ associated extremists also operated within the country, though their presence was small compared to that of Palestinian groups operating in Palestinian refugee camps who were not aligned with AQ. The camps are officially controlled by the Lebanese government. While the Lebanese Armed Forces do not have a day-to-day presence in the camps, they have at times conducted operations in the camps to combat terrorist threats."</p>
Pakistan	<p>"Despite increased efforts by Pakistani security forces, al-Qa'ida (AQ) terrorists, Afghan militants, foreign insurgents, and Pakistani militants continued to find safe haven in portions of Pakistan's Federally Administered Tribal Areas (FATA), North-West Frontier Province (NWFP), and Baluchistan. AQ and other groups such as the Haqqani Network used the FATA to launch attacks in Afghanistan, plan operations worldwide, train, recruit, and disseminate propaganda. The Pakistani Taliban (under the umbrella moniker Tehrik-e-Taliban or TTP) also used the FATA to plan attacks against the civilian and military targets across Pakistan. Outside the FATA, the Quetta-based Afghan Taliban and separate insurgent organizations such as Hizb-e-Islami Gulbuddin used the areas in Baluchistan and the NWFP for safe haven. Islamist Deobandi groups and many local tribesmen in the FATA and the NWFP continued to resist the government's efforts to improve governance and administrative control. Despite the August death of the Pakistani Taliban's leader Baitullah Mehsud and Pakistani military operations throughout the FATA and NWFP, the Pakistani Taliban, AQ, and other extremist groups remained dangerous foes to Pakistan and the international community. Despite international condemnation for its November 2008 attacks in Mumbai, Lashkar-e-Tayyiba (LT) continued to plan regional operations from within Pakistan. LT is an extremely capable terrorist organization with a sophisticated regional network. It continued to view American interests as legitimate targets. While the Government of Pakistan has banned LT, it needs to take further action against this group and its front organizations, which find safe haven within Pakistan."</p>

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**Appendix II: Terrorist Safe Haven Assessments as Included in State's August 2010 Country Reports on Terrorism**

<b>Terrorist safe haven</b>	<b>Assessments</b>
Somalia	<p>"A small number of al-Qa'ida (AQ) operatives remained in East Africa, particularly Somalia, where they posed a serious threat to U.S. and allied interests in the region. These elements were disrupted in late 2006 and early 2007 as a result of Ethiopian military actions and again by the death of AQ operative Saleh Nabhan in September 2009. Somalia remained a concern given the country's long, unguarded coastline, porous borders, continued political instability, and proximity to the Arabian Peninsula, all of which provide opportunities for terrorist transit and/or safe haven and increased the regional threat level. AQ remains likely to make common cause with Somali extremists, most notably al-Shabaab. Al-Shabaab has expanded its area of control during its protracted insurgency against the Transitional Federal Government and particularly since the withdrawal of Ethiopian forces in early 2009. The group controlled most of southern Somalia at year's end."</p>
Southern Philippines	<p>"Terrorist operatives have sought safe haven in areas of the southern Philippines, specifically in the Sulu archipelago and Mindanao. Philippine government control and the rule of law in this area is weak due to rugged terrain, poverty, and local Muslim minority resentment of central governmental policies. In addition to Jemaah Islamiya (JI) fugitives and Abu Sayyaf Group (ASG) terrorists, the New People's Army and Rajah Solaiman Movement also operated in the southern Philippines."</p>
Sulu/Sulawesi Seas Littoral (maritime boundaries of Indonesia, Malaysia, and the Philippines)	<p>"In Southeast Asia, the terrorist organizations Jemaah Islamiya (JI) and Abu Sayyaf Group (ASG) have sought safe haven in the vicinity of the Sulawesi Sea and the Sulu Archipelago, which encompasses the maritime boundaries of Indonesia, Malaysia, and the Philippines. The area's thousands of islands make it a difficult region for authorities to monitor, while a range of licit and illicit activities that occur there – worker migration, tourism, and trade, for example – pose another challenge to identifying and countering the terrorist threat. Although Indonesia, Malaysia, and the Philippines have improved their efforts to control their shared maritime boundaries, the expanse nevertheless remains difficult to control. Surveillance is improved but remains partial at best, and traditional smuggling and piracy groups have provided an effective cover for terrorist activities, such as movement of personnel, equipment, and funds."</p>
Trans-Sahara (Algeria, Mali, Mauritania, and Niger)	<p>"The primary terrorist threat in this region was al-Qa'ida in the Islamic Maghreb (AQIM). AQIM was based primarily in northeastern Algeria but factions also operated from a safe haven in northern Mali, from which they transited areas of the Maghreb and Sahel, especially Mali, Niger, and Mauritania. AQIM continued to conduct small scale ambushes and attacks on Algerian security forces in northeastern Algeria, but in 2009 the group was not able to conduct the "spectacular" attacks that were more common a few years ago such as their bombing of the UN and Algerian government buildings. AQIM factions in northern Mali used the safe haven to conduct kidnappings for ransom and murder of Western hostages and to conduct limited attacks on Malian and Mauritanian security personnel. AQIM derived financial support from the ransoms it collected, which were used to sustain the organization and plan further terrorist operations. AQIM routinely demanded the release of their operatives in custody in the region and elsewhere as a condition of release of hostages. Regional governments sought to take steps to counter AQIM operations, but there was a need for foreign assistance in the form of law enforcement and military capacity building in order to do so."</p>

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**Appendix II: Terrorist Safe Haven Assessments as Included in State's August 2010 Country Reports on Terrorism**

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<b>Terrorist safe haven</b>	<b>Assessments</b>
Tri-Border Area (Argentina, Paraguay, and Brazil)	"No corroborated information showed that Hizballah, HAMAS, or other Islamic extremist groups used the Tri-Border Area (TBA) for military-type training or planning of terrorist operations, but the United States remained concerned that these groups use the region as a safe haven to raise funds. Suspected supporters of Islamic terrorist groups, including Hizballah, take advantage of loosely regulated territory and the proximity of Ciudad del Este, Paraguay and Foz do Iguaçu, Brazil to participate in a wide range of illicit activities and to solicit donations from within the sizable Muslim communities in the region. The Argentine, Brazilian, and Paraguayan governments have long been concerned with arms and drugs smuggling, document fraud, money laundering, trafficking in persons, and the manufacture and movement of contraband goods through the TBA. Concerns about the region moved the three governments to invite the United States to participate in the Three Plus One Group on Tri-Border Area Security, which focuses on practical steps to strengthen financial and border controls and enhance law enforcement and intelligence sharing. Brazil, Argentina, and Paraguay have made notable strides in launching initiatives to strengthen law enforcement institutions and cooperation, including developing financial intelligence units, broadening border security cooperation, augmenting information sharing among prosecutors responsible for counterterrorism cases, and establishing trade transparency units."
Venezuela	"Corruption within the Venezuelan government and military, ideological ties with the FARC, and weak international counternarcotics cooperation have fueled a permissive operating environment for narco-traffickers. Other than some limited activities, such as the bombing of remote dirt airstrips on the border, there is little evidence that the government of Venezuela is moving to improve this situation in the near future. The FARC, as well as Colombia's second largest rebel group, the National Liberation Army (ELN), regularly used Venezuelan territory to rest and regroup, engage in narcotics trafficking, as well as to extort protection money and kidnap Venezuelans to finance their operations."
Yemen	"The security situation in Yemen continued to deteriorate. As Saudi security forces have clamped down on terrorism and foreign fighters have returned from Afghanistan and Pakistan, Yemen's porous borders have allowed many terrorists to seek safe haven within Yemen. Al-Qa'ida in Yemen (AQY) announced its merger with al-Qa'ida (AQ) elements in Saudi Arabia in January 2009, creating al-Qa'ida in the Arabian Peninsula (AQAP). The creation of AQAP coincided with fewer attacks within Yemen, possibly due to the desire of its leadership to use Yemen as a safe haven for planning of future attacks and recruitment because the central government lacks a strong presence in much of the country. The absence of effective counterterrorism legislation contributed to Yemen's appeal as a safe haven and potential base of operations for terrorists. The Yemeni government's response to the terrorist threat was intermittent, and its ability to pursue and prosecute suspected terrorists remained weak for most of the year due to a number of shortcomings, including the stalling of draft counterterrorism in Parliament. The government's response improved dramatically in December with security forces taking strong action against a number of terrorist cells. Even with this turn of events, the government was often distracted by the "Sixth War" of the Houthi rebellion in the Sa'ada governorate in the north of the country and political unrest in southern Yemen."

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Source: GAO analysis of State's August 2010 *Country Reports on Terrorism*.

# Appendix III: Terrorist Safe Havens That Pose the Greatest Threats to U.S. National Security

We spoke with 13 subject matter experts with knowledge related to terrorist safe havens. We asked these experts to determine which five terrorist safe havens identified in the State's August 2010 *Country Reports on Terrorism* posed the greatest risk to U.S. national security (see table 6).

**Table 6: Terrorist Safe Havens Identified in State's August 2010 *Country Reports on Terrorism* That Pose the Greatest Threat to U.S. National Security as Identified by Subject Matter Experts**

Countries and regions	Number of experts <sup>a,b</sup>
Pakistan	12 of 12
Yemen	10 of 12
Somalia	9 of 12
Afghanistan	8 of 12
Iraq	5 of 12
Trans-Sahara	2 of 12
Lebanon	1 of 12
Colombia's Border Region	0 of 12
Northern Iraq	0 of 12
Southern Philippines	0 of 12
Sulu/Sulawesi Seas Littoral	0 of 12
Tri-Border Area	0 of 12
Venezuela	0 of 12

Source: GAO interviews with subject matter experts.

<sup>a</sup>One expert chose not to identify the terrorist safe havens that posed the greatest risk to U.S. national security. Therefore, our results are presented based on the 12 experts who answered.

<sup>b</sup>While experts could identify up to five terrorist safe havens, some chose to identify less than five.

Although included in State's August 2010 report, none of our experts identified Colombia's border region, northern Iraq, the southern Philippines, the Sulu/Sulawesi Seas Littoral, the Tri-Border area, and Venezuela as among the top five terrorist safe havens posing the greatest risk to U.S. national security.

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# Appendix IV: Profiles of Selected Terrorist Safe Havens Identified in State's August 2010 *Country Reports on Terrorism*

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Profiles on the Philippines, Somalia, and Yemen can be found on the following pages.



## Key Facts About the Philippines

**Population:** Approximately 102 million people live in the Philippines, with about 35 percent of the population below the age of 15. The Philippines' estimated population growth rate is the world's 60<sup>th</sup> fastest.

**Government:** The Philippines is a republic with a legal system based on Spanish and Anglo-American law. Its president, Benigno Aquino, has been in office since June 2010.

**Economy:** The Philippines' 2010 gross domestic product was estimated at about \$353 billion, which represented a 7.3 percent growth rate that year. This growth was spurred by consumer demand, exports, and investments; yet because of high population growth rate and unequal distribution of income, poverty worsened.

## Programs and Activities to Address Terrorist Safe Haven in the Philippines

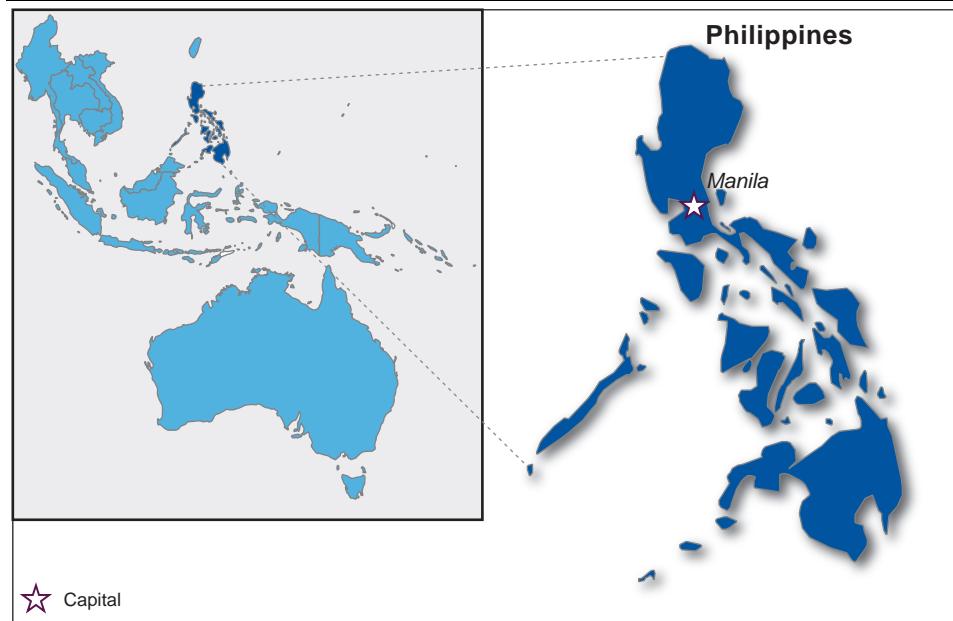
U.S. agencies have implemented a number of programs and activities to address terrorist safe havens in the Philippines. Examples include:

- Training and equipping the Philippines' security forces through the Department of Defense's Section 1206 program.
- Law enforcement training through the Department of State's Antiterrorism Assistance.
- Police transformation training through the Department of Justice's International Criminal Investigative Training Assistance Program.
- Seaport interdiction training by the Department of Homeland Security's Customs and Border Protection officials.

## TERRORIST SAFE HAVENS

### The Republic of the Philippines (Philippines) Fact Sheet

#### Map of the Philippines



Sources: GAO; Map Resources (map).

#### U.S. Strategy in the Philippines

U.S. strategy in the Philippines combines security and development assistance to address several policy objectives, including counterterrorism, economic growth, and the development of responsive democratic institutions. To address the terrorist groups that find safe haven on the islands of Mindanao and the Sulu Archipelago, the United States has deployed military personnel to train and assist the Philippine armed forces and to engage in civil-military operations to change the conditions that allow terrorist safe havens.

U.S. assistance to the Philippines has been more than \$120 million in each of the past three years, and \$135 million has been requested for fiscal year 2011. About 60 percent of this assistance has supported development programs in Muslim areas of Mindanao and the Sulu Archipelago with the aim of reducing the economic and political conditions that foster extremist ideologies and activities. U.S. military assistance is aimed primarily at Muslim insurgents and has supported intelligence gathering, operations planning, and communications support; supplied modern equipment; and provided U.S. special operations advisors to assist two Philippine Regional Combatant Commands in Mindanao and the Sulu Archipelago.



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### Terrorist Groups in the Philippines

The Department of State (State) reports that multiple terrorist groups are active in the Philippines, including the Abu Sayyaf Group (ASG), elements of Jemaah Islamiyah (JI), and the New People's Army (NPA).

The National Counterterrorism Center described ASG as the most violent of the Islamic separatist groups operating out of the southern Philippines. State reports the ASG engages in kidnappings for ransom, bombings, beheadings, assassinations, and extortion. The stated goal of the group is to promote an independent Islamic state in heavily Muslim populated areas of the southern Philippines.

JI is based in Indonesia, but believed to have elements in the Philippines. The group's goal is the establishment of an Islamic caliphate in Southeast Asia. In December 2000, JI was involved in several bombings in Manila. A faction of the group was also responsible for attacks in July 2009 at hotels in Jakarta, Indonesia.

NPA is the military wing of the Communist Party of the Philippines. The group's aim is to overthrow the government through guerilla warfare. The Philippine government reports NPA killed 132 soldiers and 55 civilians in 2009.

Other groups, such as the Moro Islamic Liberation Front (MILF), are also active in the southern Philippines. The MILF is a Muslim separatist group seeking political autonomy. It has been reported that without resolving political questions related to the MILF, instability that could create the conditions for safe haven could persist in the southern Philippines.

## TERRORIST SAFE HAVENS

### The Philippines Fact Sheet

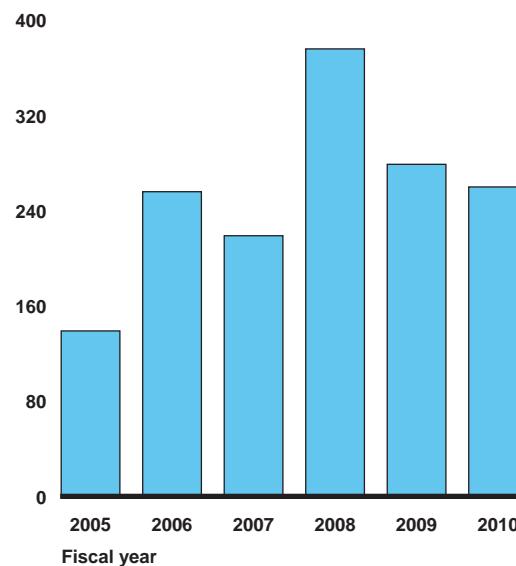
#### Challenges to Addressing Terrorist Safe Haven in the Philippines

Cognizant U.S. officials and agency reports note several challenges to addressing terrorist safe havens in the Philippines, including lawlessness, corruption, and poor economic conditions.

- *Lawlessness in the southern Philippines:* According to State's *Country Reports on Terrorism 2009*, Philippine government control and the rule of law are weak due to rugged terrain, poverty, and local Muslim minority resentment of central government policies.
- *Corruption of local leaders and police:* Officials told us that corruption, as well as the limited capacity of the Philippine police, is a major challenge to denying terrorists safe haven. Corruption is rampant in the Philippine police, the group that implements law enforcement approaches to denying safe haven.
- *Poor economic conditions:* Officials noted that poor economic conditions in the Philippines contribute to an environment that allows terrorist groups to increase recruitment. Economic development programs are essential to reduce the conditions that allow for terrorists to build safe havens in the Philippines.

#### Terrorist Attacks in the Philippines, 2005–2010

Number of attacks



Source: National Counterterrorism Center.

Note: The Worldwide Incidents Tracking System is the National Counterterrorism Center's database of terrorist incidents. According to the National Counterterrorism Center's definition, terrorism occurs when groups or individuals acting on political motivation deliberately or recklessly attack civilians or noncombatants or their property and the attack does not fall into another special category of political violence, such as crime, rioting, or tribal violence.



## Key Facts About Somalia

**Population:** An estimated 10 million people live in Somalia, with an estimated 45 percent below the age of 15. Somalia's estimated population growth rate is the 71<sup>st</sup> fastest in the world.

**Government:** Somalia has no permanent national government and no national legal system. Transitional Federal President Sheikh Sharif Sheikh Ahmed has been in office since January 2009.

**Economy:** Somalia's 2010 gross domestic product (GDP) was estimated at \$6 billion, representing a growth of almost 3 percent that year. Despite lacking an official national government, Somalia has maintained an informal economy, largely based on livestock (agriculture contributes about 40 percent of GDP), remittance and money transfer companies, and telecommunications.

## Programs and Activities to Address Terrorist Safe Haven in Somalia

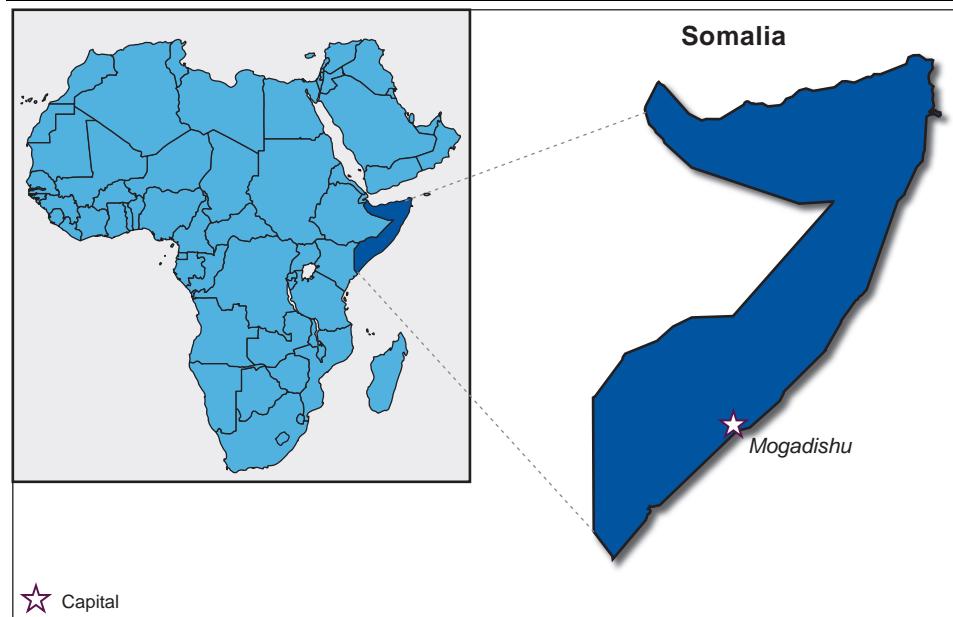
The Department of State (State), with the assistance of implementing agencies, has put in place a number of programs and activities to address terrorist safe havens in Somalia. Examples include:

- Augment the capacity of Somalia's emerging security forces to identify and eliminate terrorists through State's Peacekeeping Operations activities and security enhancement activities through State's Antiterrorism Assistance program.
- Activities supporting the social reintegration of demobilized youth through State's Economic Support Fund.

# TERRORIST SAFE HAVENS

## Somalia Fact Sheet

### Map of Somalia



Sources: GAO; Map Resources (map).

### U.S. Strategy in Somalia

U.S. strategy in Somalia is described as "dual-track"—providing continued support to the Transitional Federal Government (TFG) of Somalia and also recognizing the potential role of other actors in ending conflict and establishing basic governing institutions. Efforts include, among other things, degrading the abilities of al-Shabaab—a designated foreign terrorist organization based in Somalia—and increasing the capacity of the TFG while also increasing engagement and support for Somaliland, Puntland, and local administrative entities and civil society groups. The administration has requested almost \$85 million for State and the U.S. Agency for International Development assistance for fiscal year 2011 to continue conflict mitigation, governance, and economic growth programs in Somalia.

In addition, the Partnership for Regional East African Counterterrorism is the current State strategy for long-term engagement and capacity building in East Africa to combat evolving terrorism threats in, and emanating from, the Horn of Africa and along the Swahili Coast. The Partnership for Regional East African Counterterrorism aims to, among other things, contain and reduce the operational capacity of terrorist networks in Somalia; deter and reduce the appeal of and support for violent extremism across East Africa; and improve and expand border security in East Africa, particularly around Somalia.



## Terrorist Groups in Somalia

Al-Shabaab—also known as the Mujahideen Youth Movement, among other names—is the militant wing of the former Somali Islamic Courts Council that took control of most of southern Somalia in the latter part of 2006. In a 2-week war during December 2006 and January 2007, the Somalian government and Ethiopian forces defeated the Somali Islamic Courts Council. Since that time, al-Shabaab has led an insurgency against the TFG and international peacekeepers in Somalia. At various times during the last 4 years, the group has controlled strategic locations in southern and central Somalia.

According to the National Counterterrorism Center (NCTC), al-Shabaab is not monolithic in its goals. State reports that many rank and file members of al-Shabaab are interested in issues within Somalia, rather than pursuing a global agenda. However, NCTC and State note that members of al-Shabaab's core leadership is linked ideologically to al Qaeda and that some members of the group previously trained and fought with al Qaeda in Afghanistan.

Al-Shabaab has claimed responsibility for several bombings and shooting throughout Somalia, as well as assassinations of government officials, journalists, and peace activists. The group also claimed responsibility for suicide bomb attacks in Kampala, Uganda, in July 2010, which killed more than 70 people.

## TERRORIST SAFE HAVENS

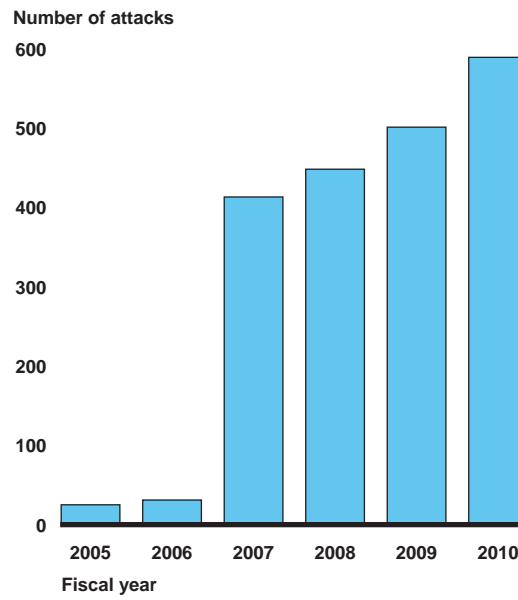
### Somalia Fact Sheet

#### Challenges to Addressing Terrorist Safe Haven in Somalia

U.S. officials and agency reports note several challenges to addressing terrorist safe havens in Somalia, including limited access to the country as well as the lack of a central government.

- *Limited access:* U.S. officials told us that because the United States does not have an embassy in Somalia and few personnel are allowed to travel there for safety reasons, implementing programs in the country is complicated. For example, the absence of U.S. diplomatic presence makes monitoring the implementation of security assistance activities difficult.
- *Lack of a central government:* Officials stated that a lack of a central government in Somalia limits the number of credible partners with which U.S. agencies can work to implement assistance programs. According to officials, this void legally constrains agencies' ability to use resources from some security assistance programs, such as Global Train and Equip "Section 1206" and Foreign Military Financing, to undertake assistance activities in Somalia.

#### Terrorist Attacks in Somalia, 2005–2010



Source: National Counterterrorism Center.

Note: The Worldwide Incidents Tracking System is NCTC's database of terrorist incidents. According to NCTC definition, terrorism occurs when groups or individuals acting on political motivation deliberately or recklessly attack civilians or noncombatants or their property and the attack does not fall into another special category of political violence, such as crime, rioting, or tribal violence.



## Key Facts About Yemen

**Population:** Approximately 24 million people live in Yemen, with 43 percent of its population below the age of 15. Yemen's estimated population growth rate is the 23<sup>rd</sup> fastest in the world.

**Government:** Yemen is a republic with a legal system based on Islamic law, Turkish law, English common law, and local tribal customary law. Ali Abdullah Saleh, who served as the president of the Yemen Arab Republic (North Yemen) from 1978 to 1990, has been the president of Yemen since May 1990.

**Economy:** Yemen's 2010 gross domestic product (GDP) was estimated at about \$62 billion. Petroleum accounts for nearly 25 percent of Yemen's GDP. As oil resources have declined, Yemen has tried reforms to diversify its economy. Despite these actions, Yemen faces long term challenges, including declining water resources and rapidly expanding population.

## Programs and Activities to Address Terrorist Safe Haven in Yemen

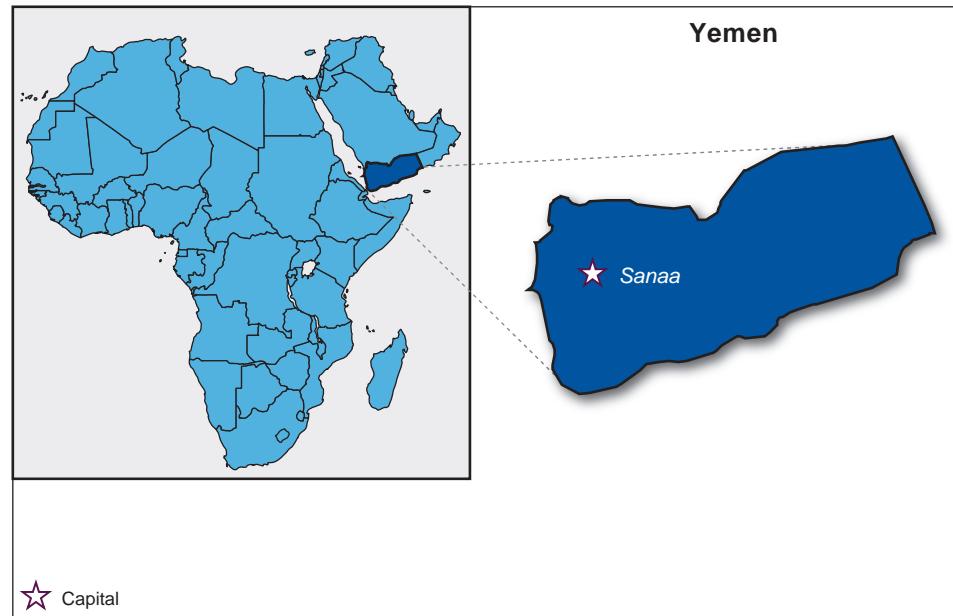
U.S. agencies have implemented a number of programs and activities to address terrorist safe havens in Yemen. Examples include:

- Training and equipping Yemeni security forces through the Department of Defense's (DOD) Section 1206 program.
- Anticorruption training through the Department of Justice's (DOJ) Overseas and Prosecutorial Development Assistance and Training program.
- Airport security and police training through the Department of State's (State) Antiterrorism Assistance program.

# TERRORIST SAFE HAVENS

## Republic of Yemen (Yemen) Fact Sheet

### Map of Yemen



Sources: GAO; Map Resources (map).

### U.S. Strategy in Yemen

U.S. strategy in Yemen, as articulated by the White House, takes a comprehensive approach, including both security assistance to counter al Qaeda in the Arabian Peninsula (AQAP) and development assistance to address the environment that allows AQAP to exist. According to State testimony, this strategy has two parts: (1) strengthening the Yemeni government's ability to promote security and minimize the threat from violent extremists within its borders, and (2) mitigating Yemen's economic crisis and deficiencies in government capacity, provision of services, transparency, and adherence to the rule of law.

The President's fiscal year 2011 budget requests \$106 million for Yemen. The United States is also engaged with international partners to provide assistance to Yemen. In 2006, an international donors' conference in London pledged \$5.2 billion for Yemen, although, according to State, a significant portion of this funding has yet to be provided. At a Friends of Yemen (an international coordination group) meeting in September 2010, the international community called for the creation of a development fund for Yemen and more coordination of international aid.



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### Terrorist Groups in Yemen

AQAP is based in Yemen. The group emerged in January 2009, formed by a merger of Yemeni and Saudi operatives.

AQAP's predecessor, al Qaeda in Yemen, came into existence after 23 al Qaeda members escaped from a prison in Sanaa, Yemen, in February 2006. Al Qaeda in Yemen was responsible for a September 2008 attack on the U.S. embassy in Sanaa that killed 19 people, including 6 terrorists.

According to the National Counterterrorism Center, AQAP is pursuing a global agenda. The group attempted to bomb a plane headed to the United States on December 25, 2009. The group also claimed responsibility for the attempted package bombings of planes in October 2010.

Members of AQAP have been named Specially Designated Nationals by the U.S. government. In July 2010, the United States designated Anwar al-Aulaqi, a key leader for AQAP, for supporting acts of terrorism and for acting for or on behalf of AQAP. In March 2011, the United States designated Ibrahim Hassan Tali al-Asiri, describing him as an AQAP operative and bomb maker. State noted that Al-Asiri gained notoriety for recruiting his younger brother as a suicide bomber in a failed assassination attempt of Saudi Prince Muhammed bin Nayif.

## TERRORIST SAFE HAVENS

### Yemen Fact Sheet

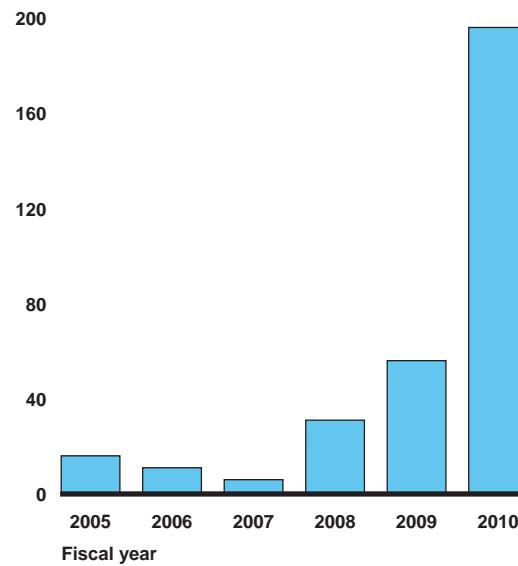
#### Challenges to Addressing Terrorist Safe Haven in Yemen

Cognizant U.S. officials and agency reports note several challenges to addressing terrorist safe havens in Yemen, including the limited capacity of Yemeni security forces, inconsistent cooperation of the Yemeni government, and instability in Yemen.

- *Limited capacity of Yemeni security forces:* Officials noted that Yemeni security forces have limited, but improving, capacity. This creates a problem for addressing terrorist safe havens, according to officials, because it limits the ability of the Yemeni government to control territory that AQAP may want to use as a safe haven.
- *Inconsistent cooperation with the government of Yemen:* According to State's August 2010 *Country Reports on Terrorism*, the Yemeni government's response to terrorism was intermittent. The report also cites the absence of effective counterterrorism legislation as contributing to Yemen's appeal as a safe haven for terrorists.
- *Instability in Yemen:* Officials told us that instability in Yemen creates challenges to addressing safe haven. Specifically, they cited unstable conditions in northern and southern Yemen and political unrest resulting from the 2011 uprisings against President Saleh's rule.

#### Terrorist Attacks in Yemen, 2005–2010

Number of attacks



Source: National Counterterrorism Center.

Note: The Worldwide Incidents Tracking System is the National Counterterrorism Center's database of terrorist incidents. According to the National Counterterrorism Center's definition, terrorism occurs when groups or individuals acting on political motivation deliberately or recklessly attack civilians or noncombatants or their property and the attack does not fall into another special category of political violence, such as crime, rioting, or tribal violence.

# Appendix V: State-Funded Efforts to Address Terrorist Safe Havens in Selected Countries

We identified nine examples of State-funded efforts in the Philippines, four examples in Somalia, and nine examples in Yemen not included in State's August 2010 *Country Reports on Terrorism* that may contribute to addressing terrorist safe havens. We compiled our list of U.S. efforts to address terrorist safe haven in the Philippines, Somalia, and Yemen based on: (1) the efforts identified by cognizant U.S. officials as those contributing to addressing terrorist safe havens and (2) programs and activities associated with MSRP goals related to addressing terrorist safe havens. Table 7 describes U.S. efforts funded by State to address terrorist safe havens as identified by agency officials or MSRPs for the Philippines, Somalia, and Yemen and indicates which of these efforts were included in State's August 2010 report.

**Table 7: State-Funded Efforts to Address Terrorist Safe Havens in Selected Countries and Their Inclusion in the August 2010 *Country Reports on Terrorism***

Selected country	State-funded effort	Inclusion in State's <i>Country Reports on Terrorism</i>	Example activities
The Philippines	Antiterrorism Assistance <sup>a</sup>	Included	Law enforcement training and capacity building to enhance ability to detect, deter, counter, and investigate terrorist activities and enable police to secure lawless areas
	Counterterrorist Finance Training <sup>a,b,c</sup>	Included	Financial investigative, analysis, and prosecutorial training to improve capacity to combat terrorist financing
	Designation of Foreign Terrorists and Terrorist Organizations <sup>a,c</sup>	Included	Designation of Abu Sayyaf Group as a Foreign Terrorist Organization
	Regional Strategic Initiative (East Asia)	Included	Activities to counter the regional proliferation of violent extremist ideology
	Rewards for Justice Program	Included	Rewards to motivate Filipinos to target and arrest terrorist leaders
	Customs and Border Protection training programs <sup>b</sup>	Not included	Seaport interdiction training
	Development Assistance programs <sup>d</sup>	Not included	Peace and development activities to inhibit terrorists and lawless elements from exploiting those living under marginal conditions
	Export Control and Related Border Security Assistance	Not included	Aid to the Philippines to strengthen customs/border controls to detect/interdict weapons
	Foreign Military Financing programs <sup>e</sup>	Not included	Support to sustain progress in Philippine Defense Department development such as transport and logistics capabilities
	International Criminal Investigative Training Assistance Program capacity building <sup>d</sup>	Not included	Police transformation training

**Appendix V: State-Funded Efforts to Address  
Terrorist Safe Havens in Selected Countries**

<b>Selected country</b>	<b>State-funded effort</b>	<b>Inclusion in State's <i>Country Reports on Terrorism</i></b>	<b>Example activities</b>
Somalia	Immigration and Customs Enforcement training <sup>a,b,c</sup>	Not included	Training to combat money laundering and bulk cash smuggling
	International Military Education and Training <sup>c</sup>	Not included	Long-term military professional development
	International Narcotics Control and Law Enforcement capacity building	Not included	Capacity building of the Philippine criminal justice system to prevent, investigate, and successfully prosecute domestic and transnational crimes
	Overseas Prosecutorial Development Assistance and Training <sup>a</sup>	Not included	Anti-trafficking training
Yemen	Antiterrorism Assistance	Included	Capacity building activities to equalize regional counterterrorism abilities
	Designation of Foreign Terrorists and Terrorist Organizations <sup>a,c</sup>	Included	Designation of al-Shabaab as a Foreign Terrorist Organization
	Regional Strategic Initiative (East Africa)	Included	Included in discussions regarding regional partner capacity
	Conventional Weapons and Small Arms/Light Weapons Destruction	Not included	Destruction of stockpiles of conventional weapons
	Economic Support Fund programs <sup>d</sup>	Not included	Support for social reintegration of demobilized youth
	International Narcotics Control and Law Enforcement capacity-building	Not included	Capacity building activities to equalize regional counterterrorism abilities
	Peacekeeping Operations capacity-building	Not included	Capacity building of Somalia's emerging security forces to identify and eliminate terrorists
Yemen	Antiterrorism Assistance	Included	Airport security and police training
	Countering Violent Extremism	Included	Secure Border Initiative
	Counterterrorist Finance Training <sup>a,b,c</sup>	Included	Financial investigations training
	Designation of Foreign Terrorists and Terrorist Organizations <sup>a,c</sup>	Included	Designation of al-Qaeda in the Arabian Peninsula as a Foreign Terrorist Organization
	Middle Eastern Partnership Initiative activities	Included	Establishment of high school student councils to educate Yemeni youth about the concept of democracy
	Regional Strategic Initiative (East Africa) <sup>d</sup>	Included	Activities focused on political and economic reform while increasing counterterrorism capacity
	Terrorist Interdiction Program	Included	Provision of immigration system computer equipment
	Customs and Border Protection training program <sup>b</sup>	Not included	International Visitors Program
	Export Control and Related Border Security Assistance programs	Not included	Customs, coast guard, and other border security agency engagement

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**Appendix V: State-Funded Efforts to Address  
Terrorist Safe Havens in Selected Countries**

<b>Selected country</b>	<b>State-funded effort</b>	<b>Inclusion in State's <i>Country Reports on Terrorism</i></b>	<b>Example activities</b>
	Foreign Military Financing programs <sup>e</sup>	Not included	Counterterrorism, border security, and counter-piracy support
	Humanitarian Demining	Not included	Efforts to secure communities from the threat posed by civil war mine fields
	Immigration and Customs Enforcement training <sup>a,b,c</sup>	Not included	Training to combat money laundering and bulk cash smuggling
	International Military Education and Training <sup>e</sup>	Not included	Long-term military professional development
	International Narcotics Control and Law Enforcement capacity building	Not included	Community policing and rule of law enhancement
	Overseas Prosecutorial Development Assistance and Training <sup>a</sup>	Not included	Anti-corruption training
	Small Arms/Light Weapons Destruction	Not included	Efforts to mitigate destabilizing effects of illegal weapons dealing

Source: GAO analysis of State's August 2010 *Country Reports on Terrorism*, MSRPs, interviews with U.S. agency officials, and U.S. agency program data.

Note: Some additional programs were identified as relevant to MSRP goals related to addressing terrorist safe havens, but if no specific activities were discussed, they are not included in the table above. These include Economic Support Fund programs, Food for Peace activities, and USAID Global Health and Child Survival programs in the Philippines; and Food for Peace activities in Yemen.

<sup>a</sup>Implemented in part by DOJ.

<sup>b</sup>Implemented in part by DHS.

<sup>c</sup>Implemented in part by Treasury.

<sup>d</sup>Implemented in part by USAID.

<sup>e</sup>Implemented in part by DOD.

# Appendix VI: Comments from the Department of State



United States Department of State

*Chief Financial Officer*

*Washington, D.C. 20520*

Ms. Jacquelyn Williams-Bridgers  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

MAY 23 2011

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "COMBATING TERRORISM: U.S. Government Should Improve Its Reporting on Terrorist Safe Havens," GAO Job Code 320804.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Rhonda Shore, Public Affairs & Outreach Advisor, Office of the Coordinator for Counterterrorism at (202) 647-1845.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Millette".

James L. Millette

cc: GAO – Charles M. Johnson  
S/CT – Robert F. Godec  
State/OIG – Evelyn Klemstine

**Department of State Comments on GAO Draft Report**

**COMBATING TERRORISM: U.S. Government Should Improve Its  
Reporting on Terrorist Safe Havens**  
**(GAO-11-561, GAO Code 320804)**

The Department of State appreciates the opportunity to comment on GAO's draft report entitled "*COMBATING TERRORISM: U.S. Government Should Improve Its Reporting on Terrorist Safe Havens.*"

**Recommendation:** Include in the Country Reports on Terrorism detailed assessments of identified terrorist safe havens using the provisions recommended by Congress in the IRTPA.

**Response:** The Department concurs with the GAO's recommendation to include detailed assessments of identified terrorist safe havens using the provisions recommended by Congress in the IRTPA. The Department has already begun to more fully implement this recommendation in the soon-to-be issued Country Reports on Terrorism 2010, including detailed assessments of efforts to prevent the proliferation of and trafficking in weapons of mass destruction in and through the territory of the country.

**Recommendation:** The Secretary of State, in collaboration with relevant agencies as appropriate should, when it updates the report requested under the IRTPA, include a government-wide list of U.S. efforts for addressing terrorist safe havens.

**Response:** The Department concurs with GAO's general recommendation to make more comprehensive the reporting on U.S. efforts to deny safe haven to terrorists. The Department does not concur, however, that a comprehensive government-wide list of U.S. efforts should be included as part of the annual *Country Reports on Terrorism (CRT)*. As noted in the GAO report, there are multiple reporting requirements concerning U.S. efforts to deny safe havens to terrorists and to provide antiterrorism assistance. To avoid duplication of effort and ensure efficient use of government resources, the Department will undertake to include information related to those separate reporting requirements already in the CRT.

# Appendix VII: Comments from the Department of Homeland Security

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

May 25, 2011

Charles Michael Johnson, Jr.  
Director, International Affairs and Trade  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: Draft Report GAO 11-561, "COMBATING TERRORISM: U.S. Government Should Improve Its Reporting on Terrorist Safe Havens"

Dear Mr. Johnson:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's work in planning and conducting its review and issuing this report.

The Department is pleased to note the report's positive acknowledgement of several of its efforts to address terrorist safe havens in selected countries, including training related to counterterrorist financing, customs and border protection, and immigration and customs enforcement. DHS will continue to support Department of State and other relevant agency efforts to improve reporting on terrorist safe havens, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. We look forward to working with you on future Homeland Security issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim H. Crumpacker".

Jim H. Crumpacker  
Director  
Departmental GAO/OIG Liaison Office

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# Appendix VIII: GAO Contact and Staff Acknowledgments

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## GAO Contact

Charles Michael Johnson, Jr., (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov)

## Staff Acknowledgments

In addition to the individual named above, Jason Bair, Assistant Director; Christy Bilardo; Kathryn Bolduc; Lynn Cothern; Martin de Alteriis; Mary Moutsos; Elizabeth Repko; and Celia Thomas made key contributions to this report. Tonita Gillich, Julia Jebo, Eileen Larence, Heather Latta, Marie Mak, Sarah McGrath, John Pendleton, Nina Pfeiffer, and Jena Sinkfeld provided additional support.

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